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(B Version)

Both you and I risk assessment business

- You - new ventures?
 - Financial wisdom of initiatives overseas? *Need info*
- Me - How badly U.S. need info?
Part is US commercial interests

Therefore, thought most useful: give you my assessment environment in which will be taking risks in 1980's

1. 1st ~~Sov~~ leadership not feel inferior militarily
How we respond?
How we adjust - can't alter fact - perhaps trend
2. Continued high rates economic growth to which accustomed not likely continue
PROD OIL + OTHER KEEP OECD = 2
OPEC will drain off \$127 B this year compared with \$3 B in 1978 - 125% increase in price

\$127 B eats up much of foreign exchange of LDC's
Even OPEC GNP growth slowing, Soviet & E. Eur also constrained. Impact on pol/social structures could be large
*OIL LABOR
PROD RAW MATL*
3. Politically, mechanisms to adjust to these two facts of life not as well established as in past

NATO/Japan demanding greater voice
Raw material LDC's more assertive, In part due to perception that US less willing/capable playing leadership role of past - Criteria not same for judging

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